

**VMS LTD.
VANUATU**

UPDATE

2 / 04

Apr/Jun 2004

This Update is intended to keep our friends informed about what's new at VMSL and in Vanuatu.

VANUATU ISPS FLEET UPDATE

- 63 % of all Vanuatu vessel plans have been submitted; 58 % have been approved; 4 % issued ISSCs.
- Some owners are still delinquent in providing information on CSOs. See Fleet / Safety Letter 03063.
- Only three months left until full implementation of ISPS on 1 July 2004. **No extensions!**

VANUATU MARITIME COLLEGE

Fleet / Safety Letter 04067 enclosing the brochure "Maritime Training in Vanuatu" was recently distributed to the owners of Vanuatu vessels describing the Vanuatu Maritime College (VMC), its capabilities, and its potentialities. If you are considering a new source for competent, qualified and certificated seafarers, consider the VMC. Email marico@vanuatu.com.vu or vmsnyc@attglobal.net and ask for an electronic version of the brochure.

ARE YOU HAVING A STROKE?

Sometimes symptoms of a stroke are difficult to identify and this lack of awareness could spell disaster. The stroke victim may suffer brain damage when people fail to recognize the symptoms of a stroke. Now any bystander can recognize a stroke by asking only three simple questions:

- ask the person to smile
- ask the person to raise both arms
- ask the person to speak a simple sentence

If he or she has trouble with any of these tasks, get medical help immediately. This simple test could speed diagnosis and treatment, and could possibly prevent brain damage

ISO 9000-2000 – QUALITY SURVEY

We recently polled a representative sample of our owners, operators and manning agents asking 8 simple questions which rated VMSL's performance & service on a scale of 1 to 5, with 1 being the best and 5 the worst. We scored 1.5 overall. This indicates that, while we are doing well, there is room for improvement. Watch this space and we will report the latest statistics. In line with process improvement, we have also been monitoring "errors" – those nagging little typos, mis-directions, misunderstandings, miscommunications that all humans are prone to make – since mid-summer 2003. These errors have decreased dramatically. If you happen to be one of the recipients of one of our "errors" please accept our apologies but do call it to our attention.

ACCESSION DOCUMENTS SUBMITTED TO IMO RELATIVE TO ANNEX IV AND VI OF MARPOL

The Minister of Foreign Affairs, Honorable Moana Carcasses, recently signed, and Dr. James Cowley, Vanuatu's Permanent Representative to the International Maritime Organization, recently presented the documents of Vanuatu's accession to MARPOL Annex IV (sewage) and Annex VI (air pollution) to the Secretary General of IMO.

CMA SHIPPING 2004

This was the best CMA ever and literally hundreds of people came by the booth. Mr. Kurt Albrecht from Wartsila North America won the "magic number" game. Yes, it was the number of ships on the registry on that day.

HOUSTON'S OTC AND A VANUATU SAFETY SEMINAR

Tom Horan will be in Houston to attend OTC and give a Vanuatu safety seminar during the week of May 3 – 7, 2004. If you would like to participate in the later, drop Tom an email at thoran@vanuatuships.com.

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THREE NEW APPOINTMENTS IN THE LEGAL SYSTEM

The government appointed a new Attorney General and a new Public Prosecutor, both from PNG, reflecting a lack of sufficiently experienced local attorneys and a recognition that a non ni-Vanuatu will not be subject to claims of favoritism for any tribe or individual island. The new Solicitor General, a ni-Vanuatu, had been the Financial Services Commissioner; was previously in private practice; and had worked in the Attorney General's office.

NEW SNOW CRAB INDUSTRY FOR VANUATU?

One should not expect to find snow crabs in tropical waters, but snow crabs have been located in deep waters within Vanuatu's EEZ. The New Hebrides Trench, almost 23,000 feet deep, lies just to the west of Vanuatu and at sufficient depths is very cold. A pilot project was funded by the principal of Equity Investment Bank of Vila.

GOVERNMENT RESHUFFLE

The Prime Minister's Vanua'aku Party-led coalition changed partners in November, replacing one partner with several smaller parties, resulting in a substantially larger majority in Parliament. This should allow for greater stability and less exposure to votes of no confidence. The general consensus is the new coalition should remain in power at least until the 2006 general election. The new partners have taken over the ministries previously held by the former partner. The coalition includes the Green Party, led by Moana Carcasses, the first non-Melanesian to be elected to Parliament. (He is of French and Tahitian ancestry.) He is the new Minister of Foreign Affairs.

NEW NEWSPAPER IN PORT VILA

The Independent weekend newspaper was launched in October to replace the *Port Vila Presse*, which ceased publication at that time. The new paper continues the tradition of publishing in English, French and Bislama. Owned by a charitable foundation, the paper is backed by leading members of the community who wish to ensure that the country has a source of balanced news and articles.

FINDING NEMO

Since the blockbuster movie *Finding Nemo* has taken the world by storm, the export of live, brightly colored aquarium fish from Vanuatu has jumped sharply, making it now one of the major exports of the country. The sudden increase in demand has raised concerns about the loss of our beautiful tropical reef fish. Protective measures are currently being negotiated.

KAVA BAN LIKELY TO BE LIFTED

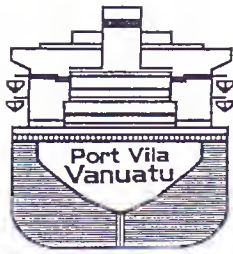
Kava, a natural relaxant, was banned in Europe, the US, and other countries last year after reports that it may cause liver damage. Extensive tests subsequently have ruled out kava as the culprit and some European countries have already lifted the ban. More are expected to do so soon. This is good news for the Vanuatu economy as kava was one of the most valuable of export products: the loss of kava export markets hurt Vanuatu badly.

ASIAN DEVELOPMENT BANK (ADB) TO ASSIST VANUATU PRIVATE SECTOR

ADB has announced a plan to boost private sector growth as part of its Country Strategy Program. The program provides technical assistance over 3 years to improve access to credit, and develop the legal and regulatory framework for secured transactions and credit references. In the last dozen years Vanuatu has benefitted from ADB loans exceeding US \$50 million and over 50 technical aid programs worth more than US \$10 million.

VANUATU'S CURRENCY, THE VATU, CONTINUES TO STRENGTHEN AGAINST THE US DOLLAR

During 2003 the Vatu strengthened 16.5% against the US dollar, moving in the same direction as most other countries against the US dollar. However, against Vanuatu's major trading partner, Australia, the Vatu lost 10%, making it more attractive for Australian holiday-makers to have their vacations in tropical Vanuatu.



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Jan/Mar 2004

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SIX MONTHS AND COUNTING UNTIL FULL IMPLEMENTATION OF ISPS ON 1 JULY 2004

- Some owners are still delinquent in providing information, notably bareboat charter information, for CSRs.
- Fleet / Safety Letter 03063 requests full details for CSOs. Some owners are delinquent here also.
- The US Congress and the US Coast Guard are still not in agreement on whether foreign ships' security plans must be approved by the US Coast Guard. Owners should contact their local US agent for updates.

PARIS MOU ANNOUNCED ACTION ON SHIP SECURITY TO START 1 JANUARY 2004

The Paris MOU Advisory Board agreed that ships visiting the ports in the region will be issued with a Letter of Warning if the International Ship Security Certificate is not available on board. The captain will be informed that the ship needs to comply before 1 July 2004. If deficiencies are found after 1 July, action may be taken by the Port State Control Officer or the Competent Security Authority. For more information see www.parismou.org website.

FAIR WINNER 707 IS A WINNER IN EVERY REGARD!

Congratulations to the master and the crew of the Vanuatu fishing vessel **Fair Winner 707** for their actions in saving the lives of 19 Mussau (Papua New Guinea) islanders found adrift at sea after 3 weeks, when their 2 small fiberglass reinforced plastic, 40 horsepower, boats ran out of fuel while on the way to a wedding on another island. The survivors, ranging in age from 3 to 63, survived at sea on half cooked rice and rainwater.

RESCUE AND MEDICAL EVACUATION

Recently, the Vanuatu patrol vessel **RVS Tukoro** was instrumental in saving the life of a Chinese seaman from the Taiwanese fishing vessel **Lu Rong Yuan Yu No. 19**. The seaman was injured when a cable snapped causing serious injuries and rupturing his kidney. The rescue was complicated by bad weather and an urgent need for blood. Despite the poor weather, a local pilot, Mr. Richard Artus, flew the blood to the vessel, dropping it in the sea nearby, for transfusion to the seaman by the paramedic on board. For more on the story, check out the website www.news.vu/en/news/national/rescue-and-medical-evacua.shtml. **Congratulations, RVS Tukoro!**

ASSEMBLY RESOLUTIONS A.930(22) AND A.931(22)

These Resolutions provide guidelines concerning the welfare of seafarers, with respect to their abandonment, and claims for personal injury & death. Ship owners, including fishing vessel owners, must be guided by these resolutions and ensure compliance with respect to their responsibilities, insurance coverage, payment of claims, certification, etc. Copies of the Resolutions can be obtained from IMO or by e-mailing us at vmsnyc@attglobal.net.

CMA SHIPPING 2004

Look for us at Booth # 91 in March.

Website: www.vanuatuships.com

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CYCLONE IVY

Port Vila suffered its first direct cyclone hit in several years, with the eye stalling for a few hours over the city as it passed from north to south. Several inter-island vessels were driven aground as well as one luxury dive boat. Several Taiwanese fishing vessels went aground, were significantly damaged, or sunk including two at the main wharf. They had to be removed by the Maritime Authority before any cruise vessels or cargo ships could call after the storm. Damage throughout the island group was very extensive with food supplies dramatically reduced. In all one person died and 11% of the population of Vanuatu was left temporarily homeless.

TOKYO MOU – ASIAN / PACIFIC PORT STATE CONTROL ANNUAL MEETING

The 2004 meeting of the Tokyo MOU on Port State Control was hosted by Vanuatu. This is the first time that Vanuatu, one of the members of the group, hosted the meeting. Eighteen countries from around the Pacific Ocean attended for a full week of meetings. Attendees were impressed with the hospitality provided by Vanuatu and also with the severity of **Cyclone IVY** which passed through during the conference, *“allowing”* many attendees to spend some extra time in Vanuatu.

NEW ADDITION TO AIR VANUATU FLEET

Air Vanuatu has acquired a new ATR 42 aircraft for use in the region. It required additional radio equipment in order to fly in the region, and this has been installed. The aircraft is currently serving the New Caledonia route, but there is a possible use also for it on the domestic routes. The economic viability is still very uncertain.

FINANCIAL CENTRE ELECTS NEW OFFICERS

The Vanuatu Financial Centre Association has elected new officers for the current financial year. The Chairman, for a second term, is the Senior Partner of Pannell Kerr Foster in Vanuatu, and European Trust group Chairman Tom Bayer will be the Association Secretary. The Association is very busy giving input on proposed legislation which affects the financial industry.

GOVERNMENT LAUNCHES VANUATU HOLDINGS

A statutory body is being created to hold the government's assets, including land and shares in operating companies such as Air Vanuatu, Vanair (the local airline), Vanuatu Post Limited, and Vanuatu Maritime College. An international consulting firm recommended the creation of the holding company which must operate on commercial terms and avoid political influence. This is an admirable goal but may be difficult to achieve in practice.

NEW LONELY PLANET GUIDE TO VANUATU

The well known tourist guidebook series has published an updated book on Vanuatu which is indispensable for tourists wishing to tour the many islands of Vanuatu. It contains 176 pages of up-to-date information with many tips on where to go, what to see, and where to eat and stay. It is available from most bookstores.

NEW POCKET GUIDE TO VANUATU

Another new guide, this one on CD, has been released and is a must for first time travellers to Vanuatu. There are movie clips of many of the highlights which will assist potential visitors to decide which of the various sights they want to include during their stay. They are available from travel agents or from the Vanuatu Tourism Office at info@tourism.vu.

PACIFIC BLUE DELAYS INAUGURATION OF FLIGHTS TO VANUATU

Pacific Blue, the Pacific arm of the Virgin Blue airline group, has announced a delay in the start of their twice weekly service to “stunning” Vanuatu. The extra service will boost tourism.

SURVIVOR COMES TO VANUATU

The popular TV series “Survivor” is reported coming to Vanuatu. The shooting is scheduled to take several months and will command many of the hotel rooms in Port Vila. The actual film location is to be on a small island off of Efate, the island where Port Vila is situated. The town is already starting to gear up for the “invasion”, and locals hope to be extras if possible.

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